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October 11, 2018

Commissioner David J. Kautter (Acting)
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Proposed IRS Regulation 112176-18 "Contributions in Exchange for State and Local Taxes."

Dear Commissioner Kautter

Thank you for this opportunity to provide public comments on the proposed regulations described under 83 FR 43563, "Contributions in Exchange for State or Local Tax Credits." I greatly appreciate your interest in this matter.

These regulatory changes, as currently proposed, would upend a long-established status quo on the tax deductibility of the donations of conservation easements in New York. New York, along with many other states, offers a modest tax credit to taxpayers that donate land area for public area conservation. This credit helps to incentivize the protection of various ecologically important areas across New York and the country.

If the regulations proposed under 83 FR 43563 were to go into effect, these tax incentives would disappear and would discourage the future conservation of potentially preserved lands. When promulgating a potential final version of this proposed rule, I urge you to make changes that preserve the long-standing tax benefits for those who opt to donate their lands for the public good.

Sincerely,

John J. Faso
Member of Congress

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